

Fin Accounting

SEP 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Fighting Inflation and Reducing
Daily Operating Costs

REFERENCE : Memo dtd 28 Feb 75 to Deputy Directors
and Heads of Independent Offices
fr DCI, same subject

1. This report summarizes the results of the Agency's inflation fighting and cost reduction program for Fiscal Year 1976. Savings are reported in three categories:

- I - Savings to date, current fiscal year:
\$5.9 million
- II - Annual Savings, future fiscal years:
\$4.9 million
- III - One-time Savings, current or future
fiscal years (not reported in I or II):
\$1.1 million

2. Savings in Category I amounted to \$5.9 million for the twelve month period. This includes a Community-wide savings reported by COMIREX of \$2.6 million through the transfer of used/surplus imagery exploitation equipment directly to other Government organizations under EXRAND coordination. Within the Agency, the use of Wide Area Telephone System (WATS) for operator assisted long distance telephone calls resulted in an approximate savings of \$149,000. Reduction of travel by Agency personnel resulted in a savings of \$545,000, and improved records management procedures (use of microfilm, reduction in Headquarters

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file storage, etc.) netted a \$201,000 cost reduction. DDI Offices report \$146,000 savings in ADP-related improvements while the Office of Data Processing lists an estimated \$242,000 in further savings as a result of efforts to reduce costs of automation.

3. Category II savings approach \$4.9 million. This total incorporates the previously reported \$1 million savings estimated by COMIREX which accrue to the Intelligence Community as a result of redelineation of search requirements. ADP improvements referred to in paragraph 2 account for more than \$480,000 of projected annual savings in future years. DDO reports savings of \$245,000 in PCS travel as a result of emphasizing three-year tours of duty wherever practical. Office of Current Intelligence estimates an annual savings of \$121,000 from modifying the schedule of current intelligence publications. Future costs of manpower were reduced within DDS&T through redefining existing functions and responsibilities. Office of Logistics' program of acquiring large quantities of surplus electrical, plumbing, and automotive supplies from Department of Defense and other sources represents an annual cost avoidance of \$270,000.

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5. Possibly more significant than the entries listed under the three categories above is the apparent awareness among Agency personnel of the importance of reducing daily operating costs. The programmer who improves the operation of a computer program to reduce the cost of its execution, or the analyst who accepts microfilm rather than the more

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convenient paper form, or the secretary who chooses to reproduce copies in the least expensive manner, all play an equally important role in our quest to fight inflation and reduce costs. Although this summary report does injustice to the many individuals contributing to this program, a complete list of the savings reported by the individual components would require many pages. Should you wish to review them, however, we have them available.

6. With your approval, we plan to continue with this program of semi-annual reporting of austerity measures. I will report to you in May 1977 with a summary of cost-savings measures for the first half of Fiscal Year 1977.

/s/ John F. Blake

John F. Blake

cc: All Deputy Directors and
Heads of Independent Offices

DDA/MA [redacted] (2 Sept 76)

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